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5 December 1963

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CENTRAL INTELLIGENCE BULLETIN



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Approved For Release 2003/05/16 : CIA-RDP79T00975A007400120001-6

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DAILY BRIEF

Cambodia: Cambodia appears to be backing away from its renunciation of US aid and to be maneuvering for renegotiation of aid agreements on more favorable terms.

During aid termination talks with US officials on 3 December, a Cambodian cabinet spokesman decried the "unilateral" decision by the US to end its assistance program. He "suggested" that aid continue for a "terminal" period of six months, after which a new agreement would be negotiated. He indicated that under a new agreement US MAAG and AID personnel would be permitted to remain in reduced numbers.

If the spokesman's statements reflect a new decision to keep US aid, such a decision might be a product of economic difficulties already experienced as a result of termination, influence of the more conservative members of Sihanouk's government, and disappointment that other countries--especially France, Communist China, and the Soviet bloc--have not made firm offers to fill the aid gap.

Alternatively, Sihanouk's renunciation two weeks ago may never have been intended to break the US aid relationship completely.

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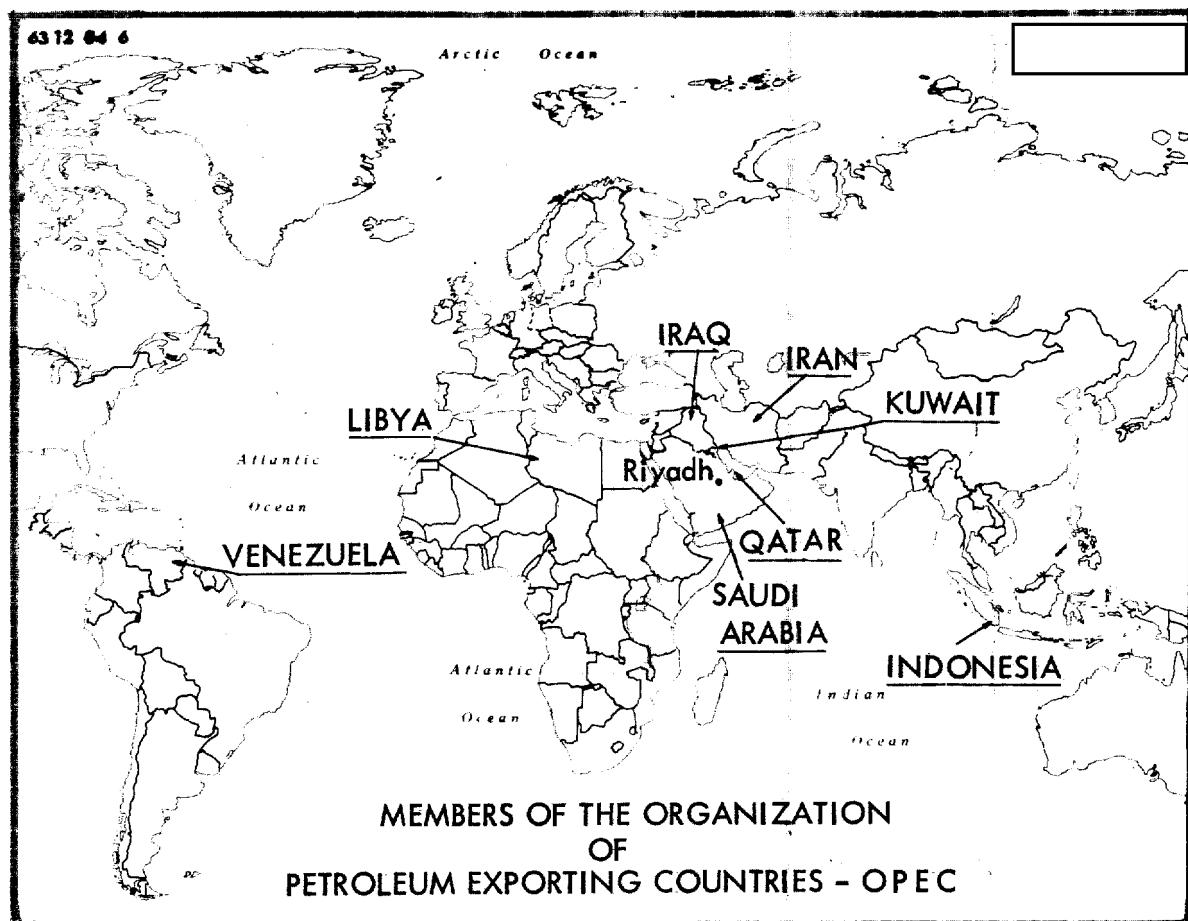
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Middle East Oil: Major international oil companies and Secretary General Rouhani of the Organization of Petroleum Exporting Countries (OPEC) still have not reached agreement in their negotiations regarding increasing oil revenue for Middle Eastern producing countries.

Because the companies refuse to recognize OPEC as a bargaining agent, Rouhani acts as representative of individual OPEC members. He is negotiating, however, on the basis of resolutions adopted at an OPEC meeting last year.

The Western oil consortium operating in Iran, acting as lead man for the major companies, has offered a formula which would increase payments to the Middle Eastern governments by about three and a half cents per barrel, but Rouhani up to now has been holding out for a much larger rise. There is also disagreement on a number of points relating to the method of calculating the governments' shares. *On 4 December, a meeting of OPEC representatives in Beirut announced rejection of the consortium's proposals.

Rouhani's position is somewhat weakened by an apparent tendency of three leading OPEC members--Kuwait, Saudi Arabia, and Iran--to take a more flexible attitude than Rouhani seems to favor.

The OPEC members will discuss possible courses of action at their next general conference, scheduled to be held in Saudi Arabia at the end of this month.

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*Iraq: (Anti-Baathist officers and members of the government have begun to eliminate Baathist influence in the regime.)

(The Baathist Minister of Communications, a leader in the moderate faction of the party, has been eased out of office and exiled to Beirut with several associates. Baathist Vice President Bakr reportedly is also leaving the country. Hardan Tikriti, a strong Baathist who holds the key defense ministry post, has requested a British visa.)

(Pressures for a move against Baathists still holding positions of power have been growing among "Arab nationalist" army officers and government officials desiring closer relations with Cairo. President Arif has apparently acquiesced in the action against the Baath, but his role in the move is not yet clear.)

(While the anti-Baathist faction now appears to have the upper hand, the fate of 4th Division commander Nasrat is not certain. A dedicated Baathist, he reportedly has surrounded Baghdad in the expectation of a showdown. If he still retains his command he may attempt to redress the present situation.)

(The decay of the Baathist position in Iraq is almost certain to further undermine the position of the party in Syria.)

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*Laos: (The assassination of Lt. Col. Leuang Kongvongsa by an unknown assailant in Vientiane this morning very likely will aggravate factional differences among the neutralist forces in Laos.)

(Leuang, intelligence chief in the Special Military Cabinet headed by General Amkha, had been the leader of a group of neutralist officers opposing the developing alliance between the forces of Kong Le and General Phoumi. He and his supporters maintained that the neutralists should adhere to a strict middle-of-the-road position, dependent on neither the right- nor left-wing factions.)

(Many neutralist and rightist officers were bitterly opposed to Leuang's views, fearing that his concept of strict neutrality would only play into the hands of the Pathet Lao. [redacted])

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NOTES

Thailand: (Critically ill Premier Sarit has named Deputy Premier and Defense Minister Thanom Kitikachorn as acting prime minister, and has appointed General Chitti Navisathien acting commander in chief of the Thai Army. Evidently fearing that a struggle for power would occur during his illness, Sarit has urged members of the government to remain united behind Thanom. Even so, a struggle among Sarit's subordinates may break out, but it would be unlikely to result in a change in the form of government or in Thailand's pro-Western alignment.)

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Cyprus: (Explosion of a bomb at the base of a monument to a Greek Cypriot in Nicosia on 3 December is likely to contribute to a further deterioration in relations between the Greek and Turkish Cypriot communities. The incident followed President Makarios' formal, but still unpublicized, presentation to Turkish Cypriot Vice President Kuchuk of the Greeks' demands for revision of the constitution. Reports that a Greek Cypriot paramilitary force recently has been receiving intensive training under a Greek Army officer stationed on Cyprus are another indication of the increasingly tense atmosphere on the island.)

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Egypt - Saudi Arabia: Cairo may be preparing a major propaganda campaign against the US and Saudi Arabia in anticipation of a new crisis over the Yemen disengagement issue. Recent Egyptian radio-broadcasts have been exceptionally critical of the US-Saudi relationship. This week both the Voice of the Arabs and the clandestine Voice of the Arab Nation viciously attacked the US oil company in Saudi Arabia and the US use of Dhahran airfield there as representing US exploitation and domination.

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NATIONAL INTELLIGENCE ESTIMATE

The United States Intelligence Board, on 4 December 1963, approved the following national intelligence estimate:

SNIE 30-4-63: "The UAR Missile Program and Its Implications for Israel"

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